

# SMART Plan update

WINTER 2007 VOL 4, NO 4

EDUCATE

YOUR 457 DEFERRED COMPENSATION PLAN NEWSLETTER

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## Choices and tools for managing your investment portfolio

There are do-it-yourselfers who prefer to select and fine-tune their own mix of investments. For those who have the time and feel comfortable with investing, the Massachusetts Deferred Compensation SMART Plan offers Path 2: Build & Monitor Your Own Investment Portfolio.

### Setting your strategy

To build an investment portfolio, you need to have a strategy based on:

- How much time you have to invest
- Your objectives
- Your overall financial situation
- Your comfort level with risk.

If you want help creating your investment strategy, the SMART Plan gives you access to a variety of tools and personal support.

At no cost to you, the SMART Plan gives you access to asset allocation services. Your local representative can assist you with:

- customizing or fine-tuning a plan for allocating your money among the Plan's different investment options
- the online Risk Profile Questionnaire and a model portfolio and specific investment options that may be suitable for you.

The Risk Profile Questionnaire is designed to help you determine your investment strategy. Your responses assess what type of investor you are. Based on the results, you will be directed to a model portfolio with suggested asset allocations to use as a guide. Of course, it's your choice whether to follow the model or not when you build your portfolio.

### A wide menu of funds

The SMART Plan provides you with a broad array of quality investment options in different asset classes at competitive rates. You should consider all of the Plan's investment options and read the fund fact sheets and fund prospectuses before making any decisions. For the complete list and fund fact sheets, go to [www.mass-smart.com](http://www.mass-smart.com) > Invest.

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A LETTER FROM  
TREASURER TIMOTHY P. CAHILL

Dear SMART Plan Participant,

As you know, my staff regularly reviews the structure and performance of the SMART Plan to ensure its continued success in providing high-quality services at competitive prices and to seek opportunities to provide service enhancements. Consequently, I am pleased to announce that after an extensive bidding process, I have awarded the third-party administration and recordkeeping services contract to Great-West Retirement Services. See *A new year full of new opportunities* on page 3 of this newsletter for more information on the enhanced services and lower costs coming to the plan.

In the coming weeks, a transition guide will be mailed to your home informing you of the changes in detail and inviting you to attend an informational meeting. I hope you will be as enthusiastic about the enhancements coming to the SMART Plan in the New Year as I am.

In closing, I would like to thank ING for their years of excellent service to the SMART Plan. As a result of their dedication and hard work, the plan has realized many achievements.

Happy New Year!

TIMOTHY P. CAHILL  
SMART PLAN PARTICIPANT  
STATE TREASURER &  
RECEIVER GENERAL



# A new year full of new opportunities

The limits on what you can contribute to the SMART Plan in 2008 are the same as in 2007. Of course, contribute what you feel you can afford, up to these maximum limits. No matter what your age or how much you defer, keep your new year's resolution to save for retirement through the SMART Plan.

## 2008 contribution limits

457(b) Annual Contribution	\$15,500 or 100% of includible compensation, whichever is less
Total with 457(b) Age 50+ Catch-Up	\$20,500
Total with 457(b) Special 3-Year Catch-Up	\$31,000

If you will be at least age 50 or older by the end of the year, the 457(b) Age 50+ provision allows you to make an additional \$5,000 in pre-tax contributions, raising the maximum contribution amount to \$20,500. If you have not always contributed the maximum amount to your account, there is a 457(b) Special Catch-Up provision available three consecutive years prior to reaching normal retirement age under the Plan, and can only be elected once per employer. Keep in mind that you may not use both Catch-Up provisions in the same year. You may elect whichever Catch-Up provision is most favorable to you.

## GREAT NEWS ABOUT CHANGES COMING TO THE SMART PLAN

Great-West Retirement Services® has been selected as the new provider of administration, recordkeeping, investment education and communication services for the SMART Plan.

Great-West Retirement Services is a leading provider of employer-sponsored retirement programs for state and local governments. With a focus on providing high-quality retirement plan services to employers and their employees, Great-West Retirement Services provides administration and recordkeeping services to 15 of the 50 states, more than any other service provider in the market. They also serve four of America's five largest cities (New York, Los Angeles, Houston and Philadelphia). Great-West Retirement Services administers defined contribution plans for over 1.3 million state and local government employees.

### Highlights of Plan enhancements

#### New fee structure

Administrative fees will be **reduced by over 25%** for full-time employees participating in the SMART Plan. After the transition, the administrative fee for full-time plan participants will be reduced to 0.0875% of plan assets a year as compared to the current fee of 0.12% of plan assets.

#### New participant services

The SMART Plan will offer a wide range of new and enhanced services, including:

- the ability for participants to electronically make changes to their contribution amount via the automated Voice Response System or the website;
- the option for participants to have their contribution amount taken as a whole dollar amount or as a percentage of gross pay per pay period;
- more extensive education and account management services via the website, including the ability for participants to personalize an account home page;
- a wider range of *free* educational seminars, conducted by licensed representatives, in more locations throughout the Commonwealth; and

- a new call center in Massachusetts dedicated to serving the SMART Plan. The new SMART Plan Service Center will be staffed with *local* service counselors dedicated to serving participants. This is in addition to service counselors located throughout the Commonwealth for local personal education and account services.

### Transition process

Soon, you will receive *The SMART Plan Navigator*, a complete guide to the new enhancements coming to the SMART Plan. This guide will include information regarding important transition dates, as well as a schedule of informational meetings offered at locations across the state.

### To-do list

- No re-enrollment is necessary.
- The transition will happen automatically.
- Check your mail for the transition guide mailing.
- Attend an informational meeting.



You should consider the investment objectives, risks, charges and expenses of each investment option carefully before investing. The fund fact sheets and fund prospectuses contain this and other information which can be obtained by contacting your local representative or by visiting [www.mass-smart.com](http://www.mass-smart.com). Please read the information carefully before investing.

### Overseeing progress

Once you've determined your investment strategy and selected funds, it is important to monitor your portfolio regularly and make adjustments as needed. The Plan gives you several ways to stay in control of your portfolio.

It may be appropriate to rebalance your portfolio to keep your allocations in sync with your investment strategy and help manage risk. You may ask for help with rebalancing from your local representative. Or you may use the **automatic account rebalancing tool** to schedule a rebalancing transaction quarterly, semi-annually or annually.

You choose the start date and the percentages you want to allocate to each fund. Go to [www.mass-smart.com](http://www.mass-smart.com) > Account Access.

The Plan's custom website also makes it convenient to check on or change your portfolio's asset allocations and investments. Whenever you want, you can change your current allocation or how your future contributions are invested.

Statements are mailed to you quarterly, reporting your total account balance, account summary-at-a-glance, personal rate of return for the quarter and the past 12 months, current investment mix and account contact information. You may also access and print past statements from the archive at [www.mass-smart.com](http://www.mass-smart.com) > Account Access.

**ING does not offer tax or legal advice. This material is not intended to be used to avoid tax penalties and was prepared to support the promotion or marketing of the matter addressed in this newsletter. The taxpayer should seek advice from an independent tax adviser.**

## TAKE ACTION

### For help:

- Call your local representative toll-free 1 (877) 457-1900 (option 2).
- Go to [www.mass-smart.com](http://www.mass-smart.com) > Contact Us > Find Your Local Representative.

### For the Risk Profile Questionnaire:

Go to [www.mass-smart.com](http://www.mass-smart.com) > Invest > Investment Options > Risk Profile Questionnaire.

### To invest:

- Call the SMART Plan Customer Service Center toll-free 1 (877) 457-1900 (option 1).
- Go to [www.mass-smart.com](http://www.mass-smart.com) > Account Access.

## GOT QUESTIONS? NEED ANSWERS?

### SMART Plan Customer Service Center

Call us today! (877) 457-1900.  
Available Monday through Friday,  
from 8 a.m. to 10 p.m. and  
Saturday 8 a.m. to 4 p.m.

**Retirement and Investment Advisory Services** from ING's Financial Horizons Advisory Program are available Monday through Friday from 8 a.m. to 5 p.m. by calling (866) 201-3691.

### ING's Central Massachusetts office:

1601 Trapelo Road  
Waltham, MA 02451  
Phone: (781) 768-4850  
Fax: (781) 890-3580

We can also be reached at the following addresses:

#### Springfield

436 Dwight Street, Room 109  
Springfield, MA 01103  
Phone: (413) 785-4785

#### Worcester

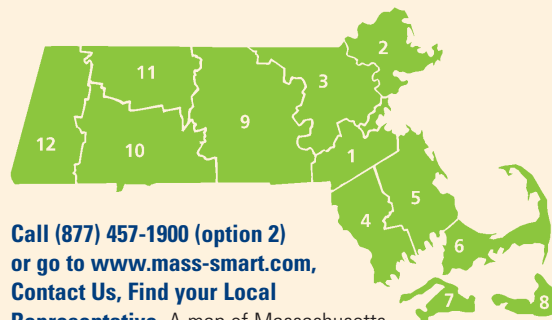
2 Chestnut Place/22 Elm Street  
Worcester, MA 01608  
Phone: (508) 792-2881

#### Quincy

One Adams Place, Suite 400  
859 Willard Street  
Quincy, MA 02169  
Phone: (617) 472-3751

#### Boston

One Ashburton Place, 12th Floor  
Boston, MA 02108  
Phone: (617) 723-5835



**Call (877) 457-1900 (option 2) or go to [www.mass-smart.com](http://www.mass-smart.com), Contact Us, Find your Local Representative.**

A map of Massachusetts will appear. Click on your local area to find a list of representatives near you. You can even e-mail your local representative once you've located his or her listing on the website.

### New address

ING has moved to One Orange Way, Windsor, CT 06095-4774.

Mail forms to: ING, P.O. Box 99063, Hartford, CT 06199-0063.

Fax forms to: 1 (800) 643-8143.

**You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. The prospectuses containing this and other information about the investment company can be obtained by calling (877) 457-1900. Please read the prospectus carefully before investing.** SMART PLAN UPDATE, a quarterly financial education newsletter published by ING, provides information about topics of concern to retirement plan participants and employees of the Commonwealth of Massachusetts. Third-party administration provided by ING Life Insurance and Annuity Company (ILIAC). Securities offered through ING Financial Advisers, LLC (member SIPC). These companies are wholly owned, indirect subsidiaries of ING Groep N.V. © 2007 ING North America Insurance Corporation C07-1009-031 (12/07)

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